

Appendix

Article VIII Cuban Trade Agreement of 1934 reads in part as follows:

"All articles enumerated and described in Schedule I annexed to this Agreement, with respect to which a rate of duty is specified in Column 2 of the said Schedule, shall be exempt from all taxes, fees, charges, or exactions, in excess of those imposed or required to be imposed by laws of the Republic of Cuba in effect on the day on which this Agreement comes into force; and all articles enumerated and described in Schedule II annexed to this Agreement, with respect to which a rate of duty is specified in Column 2 of the said Schedule, shall be exempt from all taxes, fees, charges, or exactions, in excess of those imposed or required to be imposed by laws of the United States of America in effect on the day on which this Agreement comes into force.

"The provisions of this Article insofar as they apply to taxes, fees, charges, or exactions imposed within the United States of America, shall apply only to such taxes, fees, charges, or exactions as are subject to statutory control by the Federal Government of the United States of America."

The Liquor Taxing Act of 1934 (Public—No. 83—73d Congress H. R. 6131) Section 2, Title I provides as follows:

"Sec. 2. Paragraphs (3) and (4) of subdivision (a) of section 600 of the Revenue Act of 1918, as amended (relating to the tax on distilled spirits generally and the tax on distilled spirits diverted for beverage purposes) (U. S. C., Sup. VI, title 26, Sec. 1150(a)(1) and (2), are amended to read as follows:

"(3) On and after January 1, 1928, and until the effective date of Title I of the Liquor Taxing Act of 1934, \$1.10 on each proof gallon or wine gallon when below proof and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon; and

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“(4) On and after the effective date of Title I of the Liquor Taxing Act of 1934, \$2.00 on each proof gallon or wine gallon when below proof and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon.”

The Liquor Taxing Act of 1934 became effective January 12, 1934, one day after its passage on January 11, 1934.

The Act of February 24, 1919 (known as the Revenue Act of 1918), C. 18, Sec. 600(a)(4), Title VI, provided as follows:

“That there shall be levied and collected on all distilled spirits now in bond or that have been or that may be hereafter produced in or imported into the United States, except such distilled spirits as are subject to the tax provided in section 604, in lieu of the internal-revenue taxes now imposed thereon by law, a tax of \$2.20 (or, if withdrawn for beverage purposes or for use in the manufacture or production of any article used or intended for use as a beverage, a tax of \$6.40) on each proof gallon, or wine gallon when below proof, and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon, to be paid by the distiller or importer when withdrawn, and collected under the provisions of existing law.”

The Act of February 26, 1926, C. 27, Sec. 900 (44 Stat. 104) Title IX, amended the above law by reducing the tax on and after January 1, 1927 to \$1.65 and by further reducing the tax on and after January 1, 1928 to \$1.10 per gallon as to non-beverage uses. As to distilled spirits diverted to beverage purposes, the tax of \$6.40 was retained, to be paid by the person responsible for such diversion.

The above provisions remained unchanged until passage of the Liquor Taxing Act of 1934, *supra*.

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The tax of \$2.00 per proof gallon under the Liquor Taxing Act of 1934 remained in effect without increase until passage of the Revenue Act of 1938 (Public—No. 554—75th Congress, Chapter 289, 3d Session H. R. 9682). Section 710 of this act provided as follows:

(a) Section 600 (a)(4) of the Revenue Act of 1918, as amended, is amended to read as follows:

“(4) On and after January 12, 1934, and until July 1, 1938, \$2.00, and on and after July 1, 1938, \$2.25, on each proof gallon or wine gallon when below proof and a proportionate tax at a like rate on all fractional parts of such proof or wine gallon.”

(b) Section 600 (c) of such Act, as amended, is amended by striking out “\$2.00 per wine gallon” and inserting in lieu thereof “\$2.25 per wine gallon”.

(c) Section 4 of the Liquor Taxing Act of 1934 is amended by striking out “\$2.00” and inserting in lieu thereof “\$2.25”.

(d) The amendments made by this section shall not apply to brandy and the rates of tax applicable to such brandy shall be the rates applicable without regard to such amendments.

The Revenue Act of 1938 became effective on May 16, 1938 and Section 710 thereof took effect on July 1, 1938.

